



MISSOURI TIMBER PRICE TRENDS

July-Sept., 2005, Vol. 15 No. 3

Missouri Department of Conservation, Forestry Division

Statewide Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Veneer							
White oak (group)	\$790	\$790	\$790	\$920	\$415	7 Int. - MBF	1
Sawlogs							
Ash	\$210	\$55	\$60	\$65	\$165	48 Int. - MBF	3
Cottonwood	\$50	\$50	\$50	-	-	84 Int. - MBF	1
Hickory	\$210	\$85	\$120	\$110	\$90	31 Int. - MBF	3
Mixed Hardwoods	\$240	\$40	\$205	\$165	\$75	479 Int. - MBF	7
Oak (mixed species)	\$210	\$75	\$125	\$135	\$130	571 Int. - MBF	7
Post Oak	\$210	\$85	\$125	\$165	\$110	18 Int. - MBF	2
Red oak (group)	\$210	\$100	\$135	\$190	\$225	561 Int. - MBF	5
S Yellow Pine	\$75	\$75	\$75	-	-	34 Int. - MBF	1
Soft Maple	\$160	\$160	\$160	\$150	\$210	106 Int. - MBF	1
Sycamore	\$85	\$85	\$85	\$100	-	36 Int. - MBF	1
Walnut, Black	\$415	\$415	\$415	\$355	\$465	2 Int. - MBF	1
White oak (group)	\$315	\$100	\$140	\$160	\$180	515 Int. - MBF	8

Averages are based on received reports. Refer to the column headed “# of Rpts.” to get a gauge of how accurate the average prices may be. Changes since last quarter and last year should be read with caution as the number of reports varies each year and quarter. This report can only be used as a general guide for determining market value of timber. General market and economic conditions, as well as local considerations such as accessibility, terrain, sale size, and tree size and quality also affect the price paid.

Note: All prices and volumes are reported in International ¼” MBF Scale, except for the Prairie Region (See map on page3) for which all prices and volumes are reported in Doyle-MBF. To convert to Int.-BF prices or volume, divide by 1,000. To convert volume from Int.-MBF to Doyle MBF, divide by 1.2. To convert prices from Int.-MBF to Doyle MBF, multiply by 1.2.

Ozark Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Sawlogs							
Ash	\$210	\$210	\$210	-	-	- Int. - MBF	1
Hickory	\$210	\$85	\$160	\$155	\$70	15 Int. - MBF	2
Mixed Hardwoods	\$240	\$65	\$215	\$165	\$80	388 Int. - MBF	3
Oak (mixed species)	\$210	\$105	\$165	\$135	\$120	288 Int. - MBF	4
Post Oak	\$210	\$85	\$125	\$165	\$110	18 Int. - MBF	2
Red oak (group)	\$210	\$110	\$145	\$190	\$230	434 Int. - MBF	3
White oak (group)	\$210	\$125	\$140	\$170	\$190	199 Int. - MBF	3

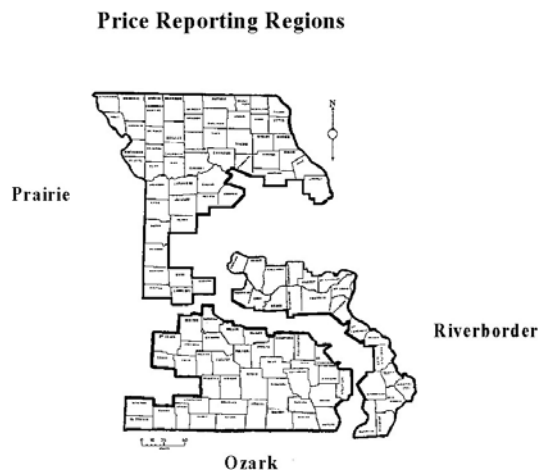
Prairie Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Sawlogs							
Ash	\$66	\$66	\$66	\$78	\$198	33 Doyle - MBF	1
Cottonwood	\$60	\$60	\$60			70 Doyle - MBF	1
Mixed Hardwoods	\$138	\$48	\$96		\$120	8 Doyle - MBF	2
Red oak (group)	\$138	\$138	\$138	\$222	\$252	46 Doyle - MBF	1
Soft Maple	\$192	\$192	\$192		\$252	88 Doyle - MBF	1
Sycamore	\$102	\$102	\$102			30 Doyle - MBF	1
White oak (group)	\$210	\$138	\$162	\$168	\$150	178 Doyle - MBF	2

Riverborder Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Veneer							
White oak (group)	\$790	\$790	\$790	\$920	\$415	7 Int. - MBF	1
Sawlogs							
Ash	\$85	\$85	\$85	\$65	-	7 Int. - MBF	1
Hickory	\$85	\$85	\$85	\$105	\$160	16 Int. - MBF	1
Mixed Hardwoods	\$200	\$65	\$185	\$60	\$65	82 Int. - MBF	2
Oak (mixed species)	\$125	\$75	\$80	\$115	\$130	283 Int. - MBF	3
Red oak (group)	\$100	\$100	\$100	\$185	\$185	72 Int. - MBF	1
S Yellow Pine	\$75	\$75	\$75	-	-	34 Int. - MBF	1
Walnut, Black	\$415	\$415	\$415	\$1,090	-	2 Int. - MBF	1
White oak (group)	\$315	\$100	\$140	\$155	\$250	104 Int. - MBF	3

Foresters reported stumpage prices resulting from 16 timber sales containing 2,493 Int.- MBF located throughout the state.



Editor's Note

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester or your Consulting Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (573) 751-4115, will be happy to provide you with the name and address of the Resource Forester or MDC Regional Office nearest to you. You can locate a Consulting Forester by visiting the Mo. Consulting Forester's Association web site at: www.missouriforesters.com or by visiting the Private Land Assistance page of the MDC website <http://www.mdc.state.mo.us/landown/> and clicking on the "Conservation Assistance Contractors" link.

Tom Treiman, Editor

Tree Scale Conversion Factors

Sawlogs - Veneer Logs	Int'l = Doyle x 1.2
Pulpwood Pine	5,200 lbs/cord
Hardwood (hard)	5,600 lbs/cord
Hardwood (soft)	4,200 lbs/cord

Note: All prices and volumes are reported in International ¼" MBF Scale. To convert to Int.-BF prices or volume, divide by 1,000. To convert volume from Int.-MBF to Doyle MBF, divide by 1.2. To convert prices from Int.-MBF to Doyle MBF, multiply by 1.2.

Hurricanes and Timber

Once again the headlines in September have been full of hurricanes. While our thoughts turn to the human cost of Hurricanes Katrina and Rita and to the efforts that will be required to rebuild or restore large parts of New Orleans and the Gulf Coast, the storms will also affect forestry for years to come. Missouri and the nation's timber markets should soon feel the effects too, although just what the effects may be is harder to predict.

Once the massive task of clean-up is finished, the longer term efforts of rebuilding will begin. The increased demand for timber will be felt across the entire country, but there will also be an increased supply of wood as timber damaged by the storm is salvaged.

Conservative estimates suggest in New Orleans alone 160,000 of the city's 200,000 housing units will have to be replaced. Then factor in other coastal cities such as Biloxi, Miss., that were largely leveled by the storm. But the reconstruction effort is expected to spread out over several years, which mitigates the effect on demand and prices in a U.S. housing market that had begun to fall off.

The U.S. National Association of Home Builders (NAHB) research centre estimated this week Louisiana and Mississippi account for about one per cent of U.S. lumber, engineered wood and structural panel demand in an average year. Even doubling it would make little dent in overall supplies, the association concluded. For example, rebuilding 160,000 housing units would require 1.9 billion board

feet of softwood lumber for framing.

That compares with a total annual U.S. softwood market of about 60 billion board feet.

"The overall market is going to be determined by what happens in the country as a whole," said Shawn Church, editor of Random Lengths, the authoritative industry market bulletin based in Eugene, Ore. "Reconstruction down there is not going to drive the U.S. market."

The pace of rebuilding will also be influenced by the North American shortage of skilled construction tradespeople. As well, analysts said many displaced residents won't return to the Gulf Coast, which will disperse many new housing starts to the cities where they relocate.

Investors lifted shares of US lumber firms after the storms, betting demand would surge after Hurricane Katrina, but analysts were divided over whether rebuilding would actually boost results or merely support an otherwise weakening market.

What follows is a round-up of recent timber and hurricane related stories from the press:

From Mississippi: Trees have been snapped and uprooted across the state by the 100-plus mph winds of Hurricane Katrina, costing the state's timber industry millions of dollars statewide. Wayne Tucker, the executive director of the Mississippi Institute of Forest Inventory, said Katrina may have dealt Mississippi's timber industry a \$1.2 billion blow. "Jackson County suffered a 40-50 percent loss," Tucker said. "The three counties hardest hit were Jackson, Harrison and Hancock. The next hardest hit were Pearl River and Stone.

George and Greene counties each suffered a 15 to 20 percent loss." Officials from the Mississippi Forestry Commission, Mississippi State University, and the Mississippi Institute of Forest Inventory have conducted an aerial survey of damage. They say more than 24 million cords of pulp, chip and saw lumber, both pine and hardwood have been damaged by Katrina.

Tree growers are now faced with a double-edged sword, said Eugene Cooper, the George County Forester for the Extension Service. "First, there is the damage to the trees and second is the effect on the markets. Tree damage extends far beyond the easily visible splintered and uprooted trees," Cooper said.

The dead and dying trees greatly increase the risk of forest fires. A fire would be even more dangerous because personnel cutbacks over the past several years have slashed the number of personnel trained to fight a fire.

Dead and dying trees are a haven for destructive insects, especially the Southern pine beetle, and diseases such as blue stain. The fire hazard is so great that a ban on open burning in George and Stone counties has been issued by the Mississippi Forestry Commission.

"The damaged trees must be removed from these forests," Cooper said. Damaged trees will not bring anything close to market value, he said. "These trees will have less value as pulpwood and that value is decreasing every day," Cooper said. "Pulpwood is sold by the ton. Each day a broken tree dries a little and loses weight."

The effects of the storm are not all short term, Cooper said.

"There is a ripple effect that will be felt for years. The trees that are broken are gone from the rotation," he said.

From New England: As far away from the Gulf Coast as Vermont, lumber prices are already going up. "It's hard to find. People are hoarding and panic-buying," said Erik Gray, 40, of Burlington, VT.

Gray's sense of the lumber market is borne out by an analysis just completed by the Home Builders and Remodelers Association of Northern Vermont, in conjunction with its national group. The study indicates that in Vermont, in the time since Hurricane Katrina struck the Gulf Coast, the cost of plywood and oriented strand board, a form of sheathing, has risen 15 percent, said Joe Sinagra, executive officer of the local home builders association. The post-Katrina price spike was largely due to shrunken inventories among wholesalers and retailers.

Although Hurricane Katrina didn't hit Maine, local building-supply retailers are certainly feeling her impact. According to NAHB, roofing materials, Sheetrock, plywood and oriented strand board are among the scarcest materials. Said Richard Tarr, owner of LaPointe Lumber Co. Inc. in Augusta., "I think, in a way, the consumers are creating a shortage," He added: "They want to buy the stuff right now and there just isn't enough to meet the demand, so there are definitely shortages."

From Florida: The cost of oil is another factor lifting the price of building materials. "Oil prices are affecting all aspects of transportation and manufacturing of materials," said Brenda J.

Talbert, executive vice president of the Gold Coast Builders and that will affect petroleum products, such as roofing materials, as well, she said.

Some building materials also may be in short supply because they were damaged as a result of Katrina. Most of the nation's softwood lumber used to construct homes is grown in Mississippi and Alabama, said the NAHB.

While in the short term the NAHB expects increases in availability as growers harvest trees that fell from the storm, the long-term forecast is unclear because the extent of the tree damage has not yet been assessed.

Michael Carliner, a Washington-based economist for NAHB, said the first phase for heavy demand on building materials will be repair-related, plywood, windows and oriented strand board, used in roofing and walls. He said home-building materials won't be in demand for some time, given the expected delays before any significant rebuilding can start. "Rebuilding takes a longer time to start and a much longer time to finish," Carliner said. "What we found after each natural disaster is that it's very hard to detect that much additional construction occurred," he said. "That reflects a number of things: The reconstruction process is very slow, it may take a decade to really complete, and a lot of people don't rebuild."

Ken Teneffoss, publisher of Crow Publications, which produces a number of lumber-product-related reports, said the industry is better prepared to provide materials than it has been in the past because of the bigger customer base created by stores such as Home Depot and Lowe's.

He said last year was a good one for the lumber industry, which led to overproduction this year and weaker-than-expected sales. Given that, the current supply is "pretty strong," Teneffoss said.

That apparent strength didn't ease concerns of futures traders, as lumber prices rose the highest allowable limit on the Chicago Mercantile Exchange, up by \$10 in one day and to \$304.90 per 1,000 board feet by the end of September. Traders said with the expected demands for rebuilding, lumber may be at a bottom price now,

What will all this mean for Missouri's forest owners? Most probably a spike in softwood stumpage prices later this year.

Sources: AP Wire, The Birmingham News, Bletten Maine Newspapers Inc, Burlington Free Press, The Huntsville Times, Mobile Register, South Florida Sun-SentinelSunHerald.com, Yahoo News

Missouri Timber Price Trends tracks market prices for Stumpage. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. These reports should serve as a general guide to track stumpage prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

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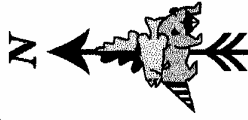
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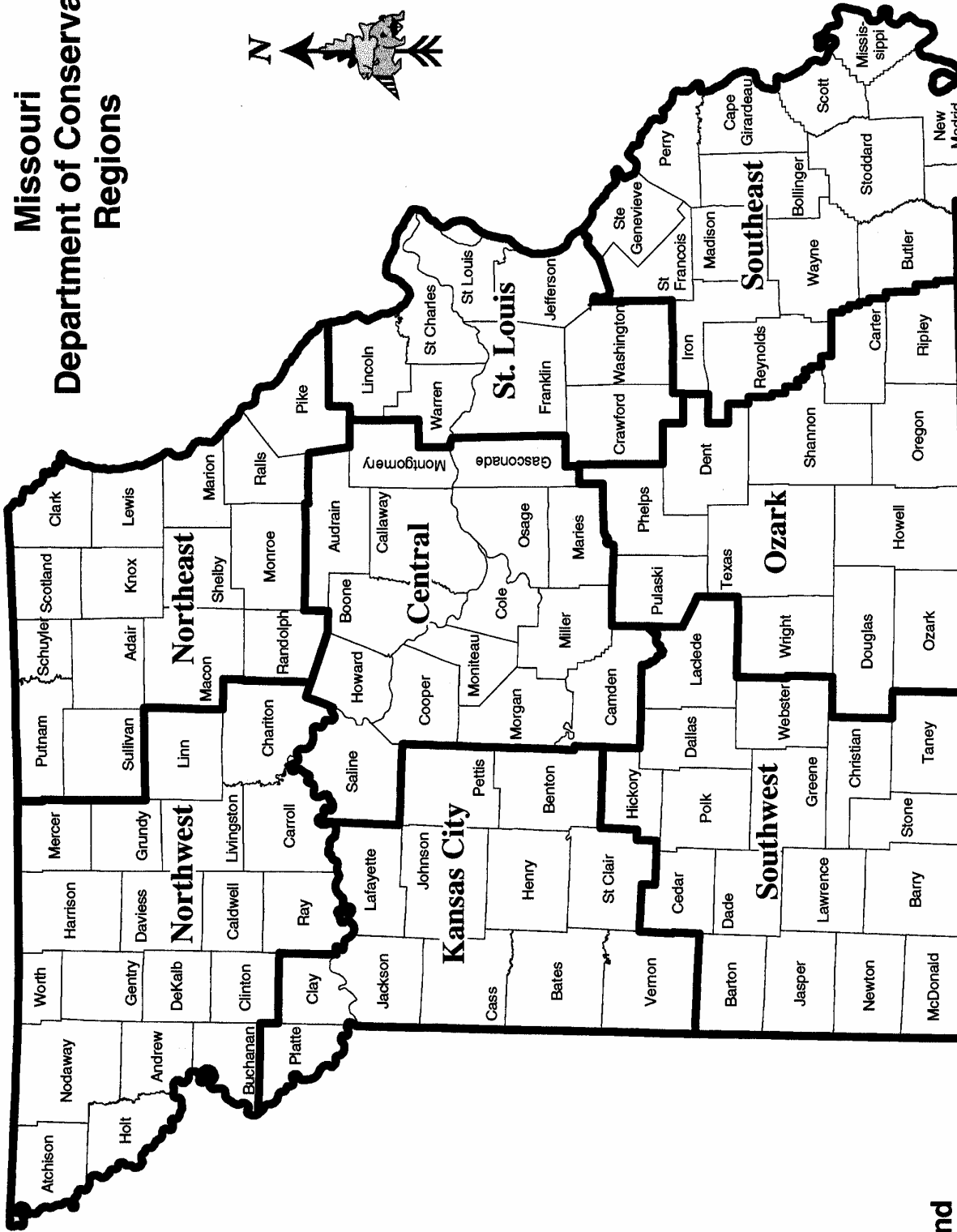
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Missouri Department of Conservation Regions



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mdcGIS



Legend

County Boundaries

Region Boundaries



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